

# Waiver Cost Containment

Presented by DDARS  
Steve Cook and Kristen Schunk  
November 18, 2003

# Overview

---

- What is our bottom line?
- State Operated Facilities
- Slots update
- What have we done so far?
- What are we reviewing on CCBs?
- What options do we have?
- Review of new efficiency policies
- Share information with families
- Future changes
- Summary

# What is our bottom line?

---

- The Residential Account funds residential services for those with developmental disabilities.
- The Developmentally Disabled Waiver, the Autism Waiver, and the Individual Community Living Budget (ICLB) programs are paid from this account.
- As of October 2003, the Residential Account is projected to have a \$21M deficit in SFY2004 and a \$41.7M deficit in SFY2005 (this is the DDARS share of the costs).

# What is our bottom line? cont.

---

- The Adult Day Services/Title XX account funds Title XX day services and the Support Services Waiver.
- The estimate for Title XX services is approximately \$21M. The SSW estimate is approximately \$10.2M.

# What is our bottom line?

---

## **FY2004**

In Millions

Residential Account	67
Day Service Account	31
FWSDC & MSDC	11

---

Total	109
-------	-----

## Estimated Expenditures

BDDS Supported Living	20
BDDS Day Services	21
Waiver Match (DD, Autism, SSW)	89

---

Total	130
-------	-----

---

Deficit	-21
---------	-----

---

# State Operated Facilities

---

- FWSDC's operating costs for 2003 was \$54.8M. The budget for 2004 is \$51M. The current census is 280.
  - We transferred \$1M for community placements. We estimate \$3M for 2004.
- MSDC's operating budget for 2003 was \$45.9M. The budget for 2004 is \$52M. The current census is 127.
  - We transferred \$4.5M for community placements. We estimate \$7.5M for 2004.

# Slots update

---

- The deficit is projected with OMPP using slot projections by LOC code.
- Slot projections are based on what we absolutely need to fill for 2004 and 2005.
- Bottom Line = Current consumers + projected slots
- A waiver specialist may tell you there are no slots projected for a certain LOC code. This is because there is no money budgeted to pay for that slot.

# What have we done so far?

---

- We have taken several measures to contain costs since July 1, 2003. These include:
  - Reviewing each budget submission for cost increases and reducing budgets as appropriate.
  - Adding a Waiver Specialists Manager to help control the activities of those approving budget and to ensure consistency across waivers.
  - Established guidelines to be used for waiver specialists to consistently evaluate justifications and scrutinize for appropriate use of services.
  - Collaboration with Indiana Chapter of Professional Case Managers to communicate with member case managers need to support reduction of budgets.



# What have we done so far? cont.

---

- We have taken several measures to contain costs since July 1, 2003. These include:
  - Held regional meetings with selected providers, case managers, BDDS and BQIS staff to obtain input and brainstorm ways to address high cost budgets (part of the high cost project).
  - Conducted a Waiver Efficiency Task Force and continue to meet monthly.
  - We implemented a percentage-based flag for CCBs. If a CCB increases by 10% or \$10.00 it is automatically placed on the hot list. A waiver specialist then reviews it. This was implemented in INsite in July of 2003.
  - We are not approving increases in budgets to move people from their family homes to live in the community.

# What are we reviewing on CCBs?

---

- Case Management – 6 hours is the baseline. Anything over 6 hours per month needs to be justified per Bulletin 44. If issue is short term, we may approve excess for 90 day period. If on-going issue, it is okay to approve additional hours for length of the plan.
- E-mods and Specialized Medical Equipment – We review carefully. We will verify requests to ensure cannot be funded under State Plan and may ask CMs to re-submit prior authorization (PA).
- Utilize health care services that are available via the Medicaid State Plan when at all possible. This includes Respite, Nursing services, etc.

# What are we reviewing on CCBs? cont.

---

- Review closely CCBs for children having services to cover almost the entire day while the child is in school and lives at home with parents.
- Housemate issues -- approving budgets for 90 days pending update on housemate status.
- Community Habilitation and Participation Individual/Community based (CHPI) -- Average of 6 hours per week to be in line with what is in the BDDS Service definitions. Cannot be used for residential type services, such as banking, shopping, running errands, medical appointments. Cannot be a diversional activity. Must have therapeutic benefit.
- Residential Hab & Support, CMGT, Respite – explore sharing service hours among households.

# What are we reviewing on CCBs? cont.

---

- Respite -- \$2,000 annually is baseline and anything over this amount needs more justification.
- Supported Employment – average of 10 hours per month to be in line with BDDS Service Definitions.
- BMAN – Baseline for BMAN (not to include BMN1) is 6 hours per month. Need to explain what specific activities the behavior specialist is providing if requesting more hours.
- CETA and Family and Caregiver Training -- looking for listing of specific activities and associated cost of activities.

# What options do we have?

---

- DDARS and OMPP have been working on a cost containment strategy to eliminate the deficit and no final decision has been made.
- However, service efficiencies have been identified including an updated RHS policy and the T05 conversion project.

# Review of new efficiency policies

---

- Applies to DD and Autism Waivers and State Line Item (ICLB):
  - Residential Habilitation Services
- Applies to DD Waiver:
  - T05 State Line Item to Waiver Conversions

# Residential Habilitation Services

---

- RHS (service definition will be revised)
- Change Rate of RHS1 from \$19.49 to \$17.59 (1,375 consumers budgeted on DD Waiver and 174 budgeted on Autism Waiver)
- Place limits on RHS3 and RHSD
  - 18 hours of RHS for one-person settings.
  - 36 hours for two or more person settings.
  - Requests to exceed these limits will be reviewed by a High Cost Review Team.
  - ISP teams are encouraged to explore sharing housemate hours or pursuing day programming options.
- Parents/guardians providing services for adult children cannot be the staff person for more than 40 hours per week.
- Activities will include leisure and community exploration.

# T05 State Line Item to Waiver Conversions

---

- Applies to DD Waiver Only
- BDDS will be examining increases made for T05 conversion budgets. Teams may be asked to limit budget to residential services previously approved on the ICLB, with only additional services limited to case management, and previously funded Title XX services, unless there has been a significant change in condition.
- The Bureau of Fiscal Services, DDARS and the Bureau of Developmental Disabilities have started work on this initiative.



# Share information with families

---

- The State is facing a significant deficit.
- The State will be scrutinizing all submitted budgets.
- Previously approved budgets may have services questioned if not adequately justified.
- Case Managers will be asked to take questions/issues back to the Individual Support Team (IST) to discuss revisions, justifications, or possible reductions in services.
- Any increase in services will need to be based on health or safety needs.
- Cooperation is needed to support as many individuals in the community as possible.

# Future Changes

---

- DDARS and OMPP are reviewing other cost containment measures.
- These may include but are not limited to additional efficiency strategies, service caps, and service eliminations.

# Summary

---

- The State needs your help to contain costs and allow us all to serve as many individuals in the community as possible.
- Our goal is cost effectiveness and each of you can help.

# Questions?

---

# Contacts

---

- Carmela Barrett, Director BDDS
  - [cbarrett@fssa.state.in.us](mailto:cbarrett@fssa.state.in.us)
- Lilia Teninty, Waiver Specialist Supervisor
  - [lteninty@fssa.state.in.us](mailto:lteninty@fssa.state.in.us)
- Bill Green, Director, Bureau of Fiscal Services
  - [wgreen@fssa.state.in.us](mailto:wgreen@fssa.state.in.us)